

APPLICATION FOR PERMIT TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

Date of filing in State Engineer's Office JUN 08 1998
 Returned to applicant for correction JUN 19 1998
 Corrected application filed JUL 14 1998
 Map filed SEP 19 1996 under 62422

The applicant Donald M Gadsby, hereby make application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated.

1. The source of the proposed appropriation is underground
2. The amount of water applied for is two (2) second-feet
 - (a) If stored in reservoir give number of acre-foot
3. The water to be used for Industrial
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated
 - (b) Stockwater, state number and kinds of animals to be watered
 - (c) Other use (describe fully under No. 12. "Remarks") wash plant - construction sand and aggregate
 - (d) Power:
 - (1) Horsepower developed
 - (2) Point of return of water to stream water would be reclaimed
5. The water is to be diverted from its source at the following point SE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Section 1, T26S, R59E, MDB & M. from which the Northeast corner of said Section 1, T26S, R59E, MDB & M bears North 01° 00' 00" East, a distance of 2,640 feet.
6. Place of Use as described in Serial No. 62422 is the same and is as follows: Portion of NW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, 8.5 acres more or less: SW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, 10 acres more or less: portion of SE $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, 8.5 acres more or less: NE $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, 1.0 acre more or less: Section 1, T26S, R59E, MDB & M, (See map)
7. Use will begin about January 1 and end about December 31 of each year.
8. Description of proposed works Drill 8" cased well, install submersible pump piped or pumped to operation site, ponds at wash plant for make-up water.
9. Estimated cost of works \$80,000 cost of production well and facilities.
10. Estimated time required to construct works one year.
11. Estimated time required to complete the application of water to beneficial use Three years

12. Remarks: Wash plant will require a minimum of 450 gpm make-up water for 2,500 yd./day minimum production. Annual water need would be at least 100,000,000 gallons, depending on size of operation and % of water recovered.

Donald M. Gadsby
By s/Donald M. Gadsby
P. O. Box 70850
Reno, Nevada 89570

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APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance issued under the provisions of NRS 533.371 for a finite period of time. This permit will expire on December 10, 2013 and all rights herein will revert back to the source. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins, or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

Monthly records shall be kept of the amount of water pumped from this well and the records submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

The total combined duty of water under Permits 62422 and 64208 shall not exceed 129.6 million gallons annually.

This permit is issued as a preferred use and any change of the point of diversion outside of the general area of the permit will not be allowed.

(CONTINUED ON PAGE 2)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 2.0 cubic feet per second, but not to exceed 129.6 million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before:

April 23, 1999

Proof of completion of work shall be filed before:

May 23, 1999

Application of water to beneficial use shall be filed on or before:

December 10, 2013

Proof of the application of water to beneficial use

Permit Expires

December 10, 2013

Map in support of proof of beneficial use shall be filed on or before:

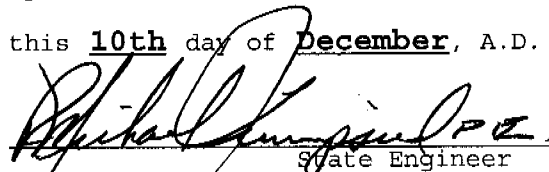
N/A

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.,

State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

this 10th day of December, A.D. 1998


State Engineer

Completion of work filed

AUG 31 2001

Proof of beneficial use filed

Cultural map filed

Certificate No.

Issued

